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5,423 Minnesota Families Would Lose Access to Affordable Housing Under President's Budget

St. Paul, Minn. — Finding affordable housing in Minnesota would be even more difficult under the new budget that President Bush submitted to Congress, according to a new study.

A study released this week by the non-partisan Center on Budget and Policy Priorities found that 1,198 fewer families in Minnesota are likely to receive Section 8 Housing Choice Vouchers this year, due to a cut in federal funds. The president's budget would temporarily restore funding for 590 of these vouchers in 2006, but then proposes cuts in virtually all domestic programs — including vouchers — over the next several years. By the end of the President's five-year budget, all of the vouchers restored in 2006 would be eliminated and the number of families assisted in the Twin Cities would be cut by an additional 5,423.

The President's budget also calls for a \$3 billion cut in funding in 2006 for HUD programs, which provide resources to state and local communities to help fund affordable housing. Minnesota will lose \$26 million in cuts to the Community Development Block Grant program.

"There are currently about 20,000 people experiencing homelessness or at imminent risk of becoming homeless, and thousands more on waiting lists for housing assistance in Minnesota because they can't afford their existing housing," said Michael Dahl, Minnesota Coalition for the Homeless Executive Director. "I fear that our lowest-income and most vulnerable are in danger of losing their housing due to the proposed budget cuts."

Section 8 would shrink considerably in the years ahead under the President's budget, for three main reasons:

- The President's budget proposes to end the longstanding practice of tying funding levels to the realities of local housing markets and economies.
- The Administration has announced that it will submit to Congress a proposal to eliminate many of the federal rules that currently ensure that vouchers provide the neediest families with a choice of safe, affordable housing.
- The President's budget proposes to lock in deep cuts in domestic programs, including housing, with five-year binding spending caps.

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“This is not about deficit reduction. The savings are insignificant relative to the size of the deficit,” said Chip Halbach, HousingMinnesota Executive Director. “Housing assistance to keep families out of shelters and kids in schools is not the place for cuts. Everyone knows that tax reductions have been the driver of the deficit that can be controlled; that is where Congress should focus its deficit reduction.” (According to the congressional Joint Committee on Taxation, there is a tax cut that mainly benefits high-income households that is scheduled to start taking effect in 2006, at an annual cost rising to \$9 billion by 2010. If this tax cut were repealed, cuts in vouchers and other housing programs could be averted.)

“We hope Minnesota’s Congressional delegation recognizes the great importance of housing vouchers in Minnesota and is a strong advocate for vouchers in Congress this year,” Halbach said.

HousingMinnesota is a multi-year education, organizing and advocacy campaign that seeks to dramatically increase the preservation and production of affordable housing in Minnesota by raising public awareness, educating policy makers on housing issues, and translating the needs of people affected into community action. HousingMinnesota is a program of the Minnesota Housing Partnership. For more information go to www.housingminnesota.org.

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